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FOR ACTION

RECOMMENDATION TO THE EXECUTIVE BOARD

Emergency Programme Fund

SUMMARY

In its decision 1993/7 (E/ICEF/1993/14), the Executive Board maintained the Emergency Programme Fund (EPF) ceiling of $14 million for the 1994-1995 biennium. The Board also decided to review, at a later date, the EPF level for 1994-1995.

In view of the need for UNICEF to continue to maintain its capacity to respond effectively to emergency situations, the Executive Director recommends that the level of the EPF be increased from $7 million to $15 million per year, or from $14 million to $30 million for the 1994-1995 biennium.

1. The 1993 regular session of the Executive Board adopted decision 1993/7 (E/ICEF/1993/14) on the objectives and scope of the Emergency Programme Fund (EPF). The Board endorsed supplementary funds as the main source for funding emergency activities in any given country. However, recognizing the vital role for some measure of general resources funding for emergencies and taking into account the complementarity between the newly-established United Nations Central Emergency Revolving Fund (CERF) and the UNICEF EPF, the Board recommended that EPF be used (a) to provide support for emergencies not covered by the Inter-Agency Consolidated Appeals; (b) to ensure a rapid response by UNICEF in all emergency situations, using EPF as a revolving fund; and (c) to finance certain staff and support costs such as participation in inter-agency assessment missions when the field offices are not unable to meet the costs. In approving the current level of $7 million per annum ($14 million for the 1994-1995 biennium), the Executive Board decided to review, if necessary later in 1993 or in 1994, the EPF level for the 1994-1995 biennium. The review would be concomitant with the outcome of deliberations on the coordination of humanitarian assistance of the United Nations at the 1993 substantive session of the Economic and Social Council and/or at the forty-eighth session of the General Assembly.

2. The debate on humanitarian assistance has now taken place in the General Assembly. The resolution approved by the General Assembly (48/57 of 14 December 1993) included various measures for improving CERF, including preserving the revolving nature of the Fund, increasing the availability of funds within CERF after evaluating its functioning and projected requirements, increasing the turnover speed of the Fund and encouraging faster reimbursements, and extending disbursements to the International Organization for Migration.

3. Recent years have witnessed a growing pressure and demand on UNICEF to provide a rapid, effective response to emergencies as they occur. Total UNICEF expenditure in emergency programmes has more than tripled from $49 million in 1990 to $167 million in 1992. The 1991 regular session of the Executive Board responded to the expanding role for UNICEF in emergencies by raising the EPF ceiling from $4 million to $7 million annually. This strengthened funding capacity helped the organization to provide assistance to 50 countries in need. This number rose to 54 in 1992, and in 1993 it is estimated to peak at around 60, including 27 complex emergency countries. Although the compilation of the final figures for 1993 emergency expenditure is still under way, it is estimated that they will be higher than the 1992 figures.

4. While a detailed report on the use of EPF for the 1992-1993 biennium will be presented to the forthcoming regular session of the Executive Board, a review of the utilization of the Fund reaffirms its crucial role in facilitating UNICEF interventions in various ways. As of November 1993, $12.6 million from EPF, or $4.5 million with replenishment, have been advanced to 14 countries when responses to the consolidated United Nations appeals have been poor. Another $2.7 million from EPF have been allocated to support strengthening the capacity of the Office of Emergency Programmes at both New York and Geneva as well as to promote coordination in humanitarian assistance with the United Nations Department of Humanitarian Affairs (DHA) and other United Nations agencies. The Office of Emergency Programmes is responsible for overall policy development, coordination and capacity-building for UNICEF response to emergencies at the

global level. Two professional staff members, both funded from EPF, are seconded to DHA at New York and Geneva to facilitate day-to-day coordination.

5. Furthermore, in response to requests from Governments for relief assistance when no consolidated appeals have been launched, $5.2 million from EPF, or $4.1 million with replenishment, were provided to the following 32 countries: Albania (socio-economic crisis); Bangladesh (Rohingya refugees); Cameroon (meningitis outbreak); Côte d'Ivoire (Liberian refugees); Cuba (tropical storm); Djibouti (cholera outbreak); Ecuador (flood and landslides); Ghana (Liberian and Togolese refugees); Honduras (tropical storm); Lebanon (snowstorm and flood); Madagascar (drought); Mauritania (Malian refugees); Nepal (flood and landslides); Peru (children in the Ashaninka region); Sierra Leone (children affected by the Liberian war); Sri Lanka (children in conflict situation); Yemen (flood); and 15 new independent States (affected by the disintegration of the former Soviet Union and transition to market economies). Limited funds also were made available for strengthening emergency response capacities at the field level.

6. Faced with the increasing number of refugees and internally displaced persons fleeing inter-ethnic conflicts and the rapid deterioration in socio-economic conditions of vulnerable groups caught in the sudden transition to market-oriented economies, a series of allocations totalling $4.1 million were made from EPF to countries in Central and Eastern Europe and the new independent States from 1992 to early 1993. Those allocations have been replenished by $1.4 million primarily through general resources approved by the Executive Board at its 1993 regular session on the basis of the respective country programme recommendations.

7. The Consolidated Inter-Agency Appeal for Armenia and Azerbaijan, in which UNICEF participated, was launched in December 1992. UNICEF requested $8.6 million, but to date only $30,000 has been received. The response to the appeal has fallen far short of requirements. UNICEF attempted to meet this shortfall by obtaining advances from CERF, but was unsuccessful owing to a lack of donor contributions. Thus, advances from EPF were the only readily available source of funds to meet the initial needs of those countries in a significant way. An allocation of $700,000 from EPF was made to Armenia and Azerbaijan, which was replenished subsequently with country programme funds approved by the Executive Board.

8. During 1993, several proposals for allocations from EPF were reverted back to the country offices concerned in view of the balances then available in reserve at the time of the requests. They were advised to either divert funds from general resources approved for the country programmes or, with donor agreement, to reprogramme unspent supplementary funds received against the emergency appeals in prior years. Such cases included proposals from Bangladesh (cholera epidemic control), Mongolia (snowstorms) and Venezuela (tropical storms). In addition, proposals from Nepal (flood and landslide) and Peru (children in the Ashaninka region) were referred back to the countries concerned after partial funding from EPF. The concerned country offices were advised further to fund the remainder of the requirements utilizing general resources from the country programmes. It was considered more appropriate to provide

additional general resources through EPF instead of diverting funds earmarked for development activities.

9. The EPF ceiling has remained unchanged at $7 million per year since 1991. This sum has proved inadequate in relation to growing needs. It was fortunate that in 1992 the growing demand for contingency funding for emergencies over and above the EPF ceiling could be met through the allocation of general resources in the amount of $29 million approved by the Executive Board by mail poll to six emergency countries. The additional allocations were provided to Afghanistan (winterization programme), Iraq (Phase V of the United Nations Consolidated Inter-Agency Humanitarian Programme), Mozambique (to seize the unique opportunities opened up by the cease-fire agreement between the conflicting parties), Somalia (accelerated 100-day humanitarian programme), Sudan (Operation Lifeline Sudan operating out of Khartoum and Nairobi) and the former Yugoslavia (revised United Nations Consolidated Inter-Agency Appeal targeted to meet the winter requirements).

10. In compliance with Executive Board decision 1992/36 A (E/ICEF/1992/14) on the format and structure of global funds, the EPF budget is now presented on a biennial basis. The restructuring has meant discontinuing the automatic mechanism by which the Executive Director normally replenished the Fund annually to the approved ceiling. The biennial approach also has created constraints to the availability of resources from EPF, particularly in the second year of the biennium when the balance of funds is usually lower than in the first year. For example, the gross allocation for EPF in 1992 was $13.9 million, an indication of how the use of the Fund on a revolving basis made it possible to provide an additional $7 million in temporary support to which net expenditure was limited in the first year. However, after taking into account the net allocation of $7.2 million for 1992, allocations in the second year could only begin with the available balance of $6.8 million, limiting the scope for higher gross allocations.

11. General Assembly resolution 46/182 of 19 December 1991 on strengthening of the coordination of humanitarian emergency assistance of the United Nations called upon the governing bodies of the organizations of the United Nations system to examine their reserves and other contingency funding arrangements to strengthen further their operational capacities for a rapid and coordinated response to emergencies. In response to the endorsement of the United Nations General Assembly, certain humanitarian operational agencies expanded their contingent funding arrangements for emergency operations. The Office of the United Nations High Commissioner for Refugees increased the annual level of its Emergency Fund from $20 million to $25 million in 1993. The World Food Programme added a cash account component to its International Emergency Food Reserve in 1992 for the local purchase of food to ensure a rapid response to emergencies. The annual target of the cash account is set at $30 million.

12. Since 1992, UNICEF has continued to be a key participant in the efforts of the United Nations system to respond effectively to emergency situations around the world. UNICEF has been one of the primary appealing agencies in 27 out of 28 Consolidated Inter-Agency Appeals that are currently in force. The total for UNICEF components of these 27 Consolidated Inter-Agency Appeals during 1993 has

reached $449 million (see table 1). However, only $106 million, or 24 per cent of the total appeal budget, has been funded to date.

13. In order to meet the requirements of the initial phases of the plans of action of the Consolidated Inter-Agency Appeals, UNICEF has seized several opportunities to use advances from CERF. When CERF came into effect in May 1992, UNICEF was the first agency to request and receive advances from the Fund; it was also the first to reimburse the Fund. So far, advances totalling $27 million have been drawn by UNICEF to support programme activities in five complex emergency countries. This has ranked UNICEF as the leading entity among the seven agencies and organizations of the United Nations system that have utilized the facility. UNICEF also has reimbursed the advances from CERF up to $17 million with supplementary funds received against the organization's components of the Consolidated Inter-Agency Appeals (see table 2).

14. In cases of emergencies where no Consolidated Inter-Agency Appeals were issued, EPF has provided the principal means for organizing an initial rapid response. The Fund has a planning level of $14 million for the biennium, the equivalent of $7 million each year. However, the Fund also operates on a revolving basis and can be replenished, in principle, from supplementary funds, subject to donor agreement. As of November 1993, the revolving mechanism of EPF has enabled the channelling of $21 million to support emergency operations over and above the ceiling of $14 million approved for the 1992-1993 biennium (see table 3).

15. CERF is more a cash-flow than a funding mechanism and, in principle, advances from CERF have to be reimbursed as a first charge against supplementary funds received from donors within a period of one year. The mechanism gives rise to uncertainties. Experience to date with CERF has shown that one potential barrier to its use has been poor donor response to certain emergency appeals. In fact, there have been cases where donor responses have not met appeal requirements, especially those in the non-food sector where a pattern of under-funding continues to pose serious problems. The report of the Secretary-General on strengthening of the coordination of humanitarian emergency assistance of the United Nations, in referring to the tendency to earmark contributions, noted that "'silent emergencies' are usually not as adequately supported as those that have caught the world's attention" (A/48/536, para. 52).

16. In reviewing the need to increase EPF, the above-mentioned facts as well as the following factors should be considered:

(a) Since 1991, although emergency expenditure has more than tripled, the EPF planning level has remained unchanged. In 1992, the capacity of UNICEF to fund major emergency operations was enhanced greatly by the mail poll allocation of $29 million in general resources. In order to maintain the operational level of stability and continuity necessary for major emergency situations, the core funding level for EPF for the biennium 1994-1995 needs to be increased. During 1992 and 1993, EPF and the mail poll allocation made it possible for UNICEF to respond rapidly to emergencies in about 60 countries;

(b) Currently EPF provides funds for four purposes: (i) to meet interim emergency needs when no inter-agency appeal has been launched; (ii) to serve as

an indispensable cash-flow for initiating actions in complex emergencies pending the receipt of donor contributions; (iii) to finance UNICEF participation in inter-agency assessment missions when the field offices are unable to support the cost; and (iv) to support emergency staff and administration;

(c) While welcoming the availability of an additional funding source through CERF, constraints have been experienced with respect to the utilization of advances from the Fund, especially when sufficient donor funding is difficult to obtain. UNICEF has been and will continue to work closely with DHA and other operational agencies to improve and refine the operational procedures for CERF, in accordance with the recommendations of the forty-eighth session of the General Assembly. CERF makes cash advances only on the basis of inter-agency consolidated appeals. The preparation of such appeals can be time-consuming, and if the use of EPF is restricted, emergency response can be delayed. In the meantime, creative measures are necessary to ensure UNICEF contingency funding for emergencies, particularly when the donor response is weak;

(d) Given the likelihood that the number and magnitude of complex emergencies will increase in the 1990s, UNICEF needs to be adequately prepared. The United Nations Board of Auditors, during the current 1992-1993 session of the audit that covered UNICEF emergency operations has recommended that the unrestricted use of EPF should be encouraged to further promote the emergency-readiness of UNICEF.

17. In view of the above, the Executive Director recommends that the Executive Board adopt the following recommendation:

The Executive Board,

Having reviewed the Emergency Programme Fund (EPF) recommendation (E/ICEF/1994/P/L.2),

Recommends that the level of EPF be increased from $7 million to $15 million per year, or from $14 million to $30 million for the 1994-1995 biennium. This would represent less than 10 per cent of the estimated total emergency expenditure by UNICEF each year, meaning that more than 90 per cent of such expenditure would be funded from supplementary funds.

Table 1. Status of funding for consolidated inter-agency appeals in 1993: UNICEF component as of November 1993

(In thousands of United States dollars)

Region/ country	Consolidated inter-agency appeal	Appeal duration	Appeal target*	Donor contributions received	Funding from general resources**	Advances from CERF	Unfunded balance
AFRICA							
Angola		May 1993-Apr. 1994	50,797	2,341	6	0	48,450
Burundi		Nov. 1993-Feb. 1994	991	0	100	0	891
Botswana	DESA	June 1992-May 1993	219	0	0	0	219
Ethiopia/Eritrea	SEPHA	Jan. 1993-Dec. 1993	25,440	7,897	257	0	17,286
Kenya	SEPHA	Jan. 1993-Dec. 1993	32,301	8,725	141	0	23,435
Lesotho	DESA	June 1992-May 1993	993	0	0	0	993
Liberia		Apr. 1993-Dec. 1993	12,935	3,216	1,237	0	8,482
Malawi	DESA	June 1992-May 1993	6,136	768	22	0	5,346
Mozambique		Jan. 1993-Dec. 1993	28,499	3,029	2,367	2,000	21,103
Namibia	DESA	June 1992-May 1993	10,383	1,327	0	0	9,056
Rwanda		Apr. 1993-Dec. 1993	10,744	2,116	100	0	8,528
Somalia	SEPHA	Mar. 1993-Dec. 1993	32,954	14,898	6,938	0	11,118
Swaziland	DESA	June 1992-May 1993	426	0	0	0	426
Zambia	DESA	June 1992-May 1993	19,827	2,104	0	0	17,723
Zimbabwe	DESA	June 1992-May 1993	2,435	1,662	29	0	744
	Subtotal		235,080	48,083	11,197	2,000	173,800
MIDDLE EAST AND NORTH AFRICA							
Djibouti	SEPHA	Jan. 1993-Dec. 1993	620	50	70	0	500
Iraq		Apr. 1993-Mar. 1994	84,934	28,128	32	7,000	49,774
Lebanon		Aug. 1993-Aug. 1994	3,122	882	300	0	1,940
Sudan	SEPHA	Jan. 1993-Dec. 1993	40,773	18,807	5,000	0	16,966
	Subtotal		129,449	47,867	5,402	7,000	69,180
ASIA							
Afghanistan		Jan. 1993-Sept. 1993	2,163	328	5,870	0	(4,035)
	Subtotal		2,163	328	5,870	0	(4,035)
AMERICAS AND THE CARIBBEAN							
Haiti		Mar. 1993-Feb. 1994	11,604	1,154	608	1,000	8,842
	Subtotal		11,604	1,154	608	1,000	8,842
CENTRAL AND EASTERN EUROPE							
Armenia		July 1993-Mar. 1994	4,330	30	410	0	3,890
Azerbaijan		July 1993-Mar. 1994	4,225	0	435	0	3,790
Georgia		Mar. 1993-Dec. 1993	2,723	912	350	0	1,461
Tajikistan		Jan. 1993-May 1993	1,448	500	696	0	252
Former Yugoslavia		Apr. 1993-Dec. 1993	58,420	7,241	5,100	0	46,079
	Subtotal		71,146	8,683	6,991	0	55,472
Total			449,442	106,115	30,068	10,000	303,259

DESA = Drought Emergency in Southern Africa.

SEPHA = Special Emergency Programme for the Horn of Africa.

* Includes the carry-over funded amount for appeals that were launched during 1992.

** Includes reprogramming, regular general resources approved by the Executive Board, carry-over of allocations approved by mail poll in November 1992 and allocations from EPF.

Table 2. CERF advances to UNICEF and reimbursements
(May 1992 to November 1993)

Country/Appeal	Advances		Reimbursements	
	Date received	In millions of US dollars	Date paid	In millions of US dollars
Somalia (SEPHA)	August 1992	5.0	December 1992	5.0
Kenya (SEPHA)	August 1992	2.0	December 1992/October 1993	2.0
Iraq (Phase V)	November 1992	5.0	April 1993	5.0
Mozambique (DESA)	January 1993	2.0		
Iraq (Phase VI)	June 1993	5.0	October 1993	5.0
Haiti (Humanitarian Plan of Action)	July 1993	1.0		
Iraq (Phase VI)	October 1993	7.0		
Total		27.0		17.0

DESA = Drought Emergency in Southern Africa.
SEPHA = Special Emergency Programme for the Horn of Africa.

Table 3. Emergency Programme Fund, 1992-1993: summary of allocations to countries as of November 1993 *

(In United States dollars)

Countries	New allocations (1992-1993	
	Gross	Net
10 major emergencies		
Angola		
Afghanistan		
Ethiopia		
Iraq	1,000,000	
Kenya	500,000	500,000
Liberia	200,000	200,000
Mozambique	500,000	500,000
Somalia	823,000	
Sudan		
Former Yugoslavia	5,260,500	
Subtotal, 10 major emergencies	8,283,500	1,200,000
Africa, other		
Burundi	100,000	100,000
Cameroon	71,500	71,500
Côte d'Ivoire	125,000	125,000
Ghana	77,700	77,700
Madagascar	170,000	170,000
Malawi	150,000	53,689
Mauritania	20,000	20,000
Namibia	150,000	150,000
Rwanda	484,200	484,200
Sierra Leone	220,000	220,000
United Republic of Tanzania	72,000	72,000
Zambia	150,000	150,000
Zimbabwe	150,000	150,000
Eastern and Southern Africa Regional Office	200,000	200,000
West and Central Africa Regional Office	203,200	203,200
Subtotal, Africa, other	2,343,600	2,247,289
Americas and the Caribbean		
Cuba	100,000	100,000
Ecuador	300,000	300,000
Haiti	1,110,000	885,382
Honduras	65,000	65,000
Peru	100,000	100,000
Subtotal, Americas and the Caribbean	1,675,000	1,450,382

Countries	New allocations (1992-1993	
	Gross	Net
Asia, other		
Bangladesh	395,000	
Cambodia	120,000	120,000
Nepal	423,000	388,000
Sri Lanka	300,000	300,000
Subtotal, Asia, other	1,238,000	808,000
Middle East and North Africa (MENA), Other		
Djibouti	70,300	70,300
Lebanon	429,000	429,000
Yemen	150,000	150,000
Subtotal, MENA, other	649,300	649,300
Central and Eastern Europe/ new independent States (CEE/NIS), Other		
Albania	500,000	
Armenia	422,907	72,907
Azerbaijan	435,561	85,561
Belarus	24,413	24,413
Estonia	36,317	36,317
Georgia	350,000	350,000
Kazakhstan	444,945	444,945
Kyrgyzstan	272,528	272,528
Latvia	45,797	45,797
Lithuania	66,830	66,830
Moldova	20,405	20,405
Russian Federation	349,240	201,028
Tajikistan	606,855	606,855
Turkmenistan	98,419	98,419
Ukraine	55,203	55,203
Uzbekistan	389,580	376,703
Subtotal, CEE/NIS, other	4,119,000	2,757,911
Interregional	2,686,000	2,686,000
Total allocations	20,994,400	11,798,882
Biennium ceiling:		14,000,000
Total net allocations 1992-1993:		11,798,882
Unallocated balance:		2,201,118

* Does not include funds allocated in prior years.